

Message Text

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11

ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01 CIAE-00

CIEP-02 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-05

SP-02 SS-15 STR-04 TRSE-00 FRB-01 PA-02 PRS-01 USIA-15

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R 030602Z MAY 75

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 5824

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS THE HAGUE 2266

E.O. 11652: N/A

TAGS: ENRG, NL

SUBJ: HOW MUCH IS HOLLAND'S NATURAL GAS WORTH TO DUTCH?

1. HOW DOES ONE QUANTIFY VALUE OF HOLLAND'S NATURAL GAS
RESOURCES TO COUNTRY'S BALANCE OF PAYMENTS? ESTIMATE
OF QUASI-GOVERNMENTAL CENTRAL PLANNING BUREAU (CPB),
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PUBLISHED IN APRIL, IS THAT GAS WILL CONTRIBUTE 12.5 BILLION
GUILDERS (ROUGHLY \$5 BILLION) TO NATION'S INTERNATIONAL
ACCOUNTS IN 1975. SINCE THESE ACCOUNTS ARE EXPECTED TO BE IN
SURPLUS BY ONLY FIVE BILLION GUILDERS (\$2 BILLION), GAS

OBTAINING WILL MAKE DIFFERENCE BETWEEN HOLLAND'S BEING SURPLUS
OR DEFICIT MEMBER OF INTERNATIONAL COMMUNITY.

2. HOW DOES CPB ARRIVE AT ITS ESTIMATE? BUREAU SAYS THAT
IT ANTICIPATES GAS EXPORTS WILL INCREASE THIS YEAR BY 20 PERCENT
IN VOLUME AND 50 PERCENT IN PRICE. VOLUME WILL SHOW SURPLUS
OF 18.7 MILLION TONS OIL EQUIVALENTS. BECAUSE GAS EXPORT
PRICES ARE LOWER THAN OIL IMPORT PRICES, ENERGY PAYMENTS ACCOUNT
WILL SHOW NEITHER SURPLUS NOR DEFICIT. BUT BALANCE ON ENERGY
ACCOUNT CONTRIBUTES TO SURPLUS ON OVERALL ACCOUNTS, SINCE IT
REFLECTS FACT THAT DOMESTIC GAS IS BOTH EARNING FOREIGN EXCHANGE
THROUGH EXPORTS AND CONSERVING IT THROUGH IMPORT SUBSTITUTION.

3. IN TERMS OF OIL EQUIVALENTS, HOLLAND BECAME NET ENERGY EXPORTER
ONLY LAST YEAR, GOING FROM DEFICIT IN 1973 OF 1.7 MILLION TONS
OIL EQUIVALENTS TO SURPLUS IN 1974 OF 7.8 MILLION TONS. BECAUSE
THERE WAS INCOMPLETE AND DELAYED INDEXATION OF GAS PRICE TO CRUDE
OIL PRICE IN EXPORT CONTRACTS, NET EXPORT OF ENERGY DID NOT
HOWEVER RESULT IN PAYMENTS SURPLUS ON ENERGY ACCOUNT
IN 1974. INSTEAD THERE WAS DEFICIT OF 2.1 BILLION GUILDERS
(ABOUT \$840 MILLION). WITH IMPORT SUBSTITUTION
THIS STILL ADDED UP TO TEN BILLION GUILDER (ABOUT \$4 BILLION)
CONTRIBUTION TO NATION'S BALANCE OF PAYMENTS. THIS YEAR
INCREASED GAS PRICES AND INCREASED EXPORTS WILL ELIMINATE EVEN
THE DEFICIT ON ENERGY PAYMENTS ACCOUNT.

4. CPB EXPECTS THAT ENERGY CONSUMPTION IN HOLLAND
WILL RISE BY TWO PERCENT IN 1975, AND THAT GAS WILL TAKE LARGER
SHARE OF THIS EXPANDING MARKET, BRINGING INCREASE IN CONSUMPTION
OF GAS BY 6.5 PERCENT. INCLUDING EXPORTS, TOTAL GAS
PRODUCTION SHOULD GROW BY 13 PERCENT.
GOULD

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